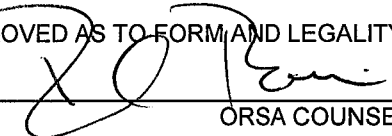


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APPROVED AS TO FORM AND LEGALITY:
BY: 
ORSA COUNSEL

**OAKLAND REDEVELOPMENT
SUCCESSOR AGENCY**

RESOLUTION No. 2016-003

**RESOLUTION AUTHORIZING ASSIGNMENT OF AN AMENDED AND
RESTATED OWNER PARTICIPATION AGREEMENT WITH SKS
BROADWAY, LLC, FOR DEVELOPMENT AT 1100 BROADWAY FROM
ORSA TO THE CITY**

WHEREAS, on September 6, 2007, the Redevelopment Agency of the City of Oakland ("Agency") entered into an amended and restated owner participation agreement (the "OPA") with SKS Broadway, LLC ("SKS"), pursuant to Agency Resolution No. 2006-0088 C.M.S., with regard to the development of a mixed-use office project (the "Project") located at 1100 Broadway (the "Property") in the Central District Redevelopment Project Area; and

WHEREAS, the OPA, as amended, established various parameters for the Project, provided the Agency certain approval rights regarding the Project, and required SKS to accomplish a number of specific development milestones by specific deadline dates; and

WHEREAS, on June 1, 2010, pursuant to Resolution No. 2010-54 C.M.S., the OPA was amended to extend performance deadlines to their current dates; and

WHEREAS, the Agency dissolved on February 1, 2012; and

WHEREAS, the Oakland Redevelopment Successor Agency ("ORSA") was established as the successor agency to the Agency pursuant to Health and Safety Code Sections 34171(j) and 34173, and all of the Agency's authority, rights, powers, duties and obligations were transferred by operation of law to ORSA, including the Agency's rights and interests in the OPA; and

WHEREAS, ORSA has listed the OPA as an enforceable obligation on its Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, SKS has made good faith efforts to reach the OPA's development milestones by the specified dates, but has been unable to do so because of the continuation of adverse economic conditions in Oakland's downtown office markets

that hinder SKS's efforts to obtain the required anchor tenants and debt financing for the Project; and

WHEREAS, ORSA desires to assign the OPA and all of its rights and obligations under the OPA to the City of Oakland ("City"), other than ORSA's right to collect extension fees under the OPA and possible liquidated damages in the event of a default under the OPA, which will (1) remove an enforceable obligation from the ROPS, (2) relieve ORSA of the financial liability associated with staffing the Project, (3) facilitate the wind-down of ORSA's involvement in continuing redevelopment activities, and (4) provide funding to ORSA through payment of extension fees and possible liquidated damages collected pursuant to the terms of an amended OPA; and

WHEREAS, the City desires to accept assignation of the OPA; now therefore be it

RESOLVED: That the ORSA Board hereby authorizes the assignment of the OPA with SKS Broadway, LLC, to the City, except that ORSA shall retain the right to collect extension fees under the OPA and possible liquidated damages in the event of a default under the OPA; and be it further

RESOLVED: That any liquidated damages or extension fees that ORSA may receive pursuant to the OPA shall be deposited into the SRA Central District: Operations Fund (9710); and be it further

RESOLVED: That the ORSA Administrator is authorized to negotiate and execute documents and take other action with respect to the assignment of the OPA consistent with this Resolution and its basic purposes.

= JUN 07 2016

IN SUCCESSOR AGENCY, OAKLAND, CALIFORNIA, _____, 2016

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN,
~~REID~~ AND CHAIRPERSON GIBSON-McELHANEY

NOES- ϕ

ABSENT- 1 - REID

ABSTENTION- ϕ

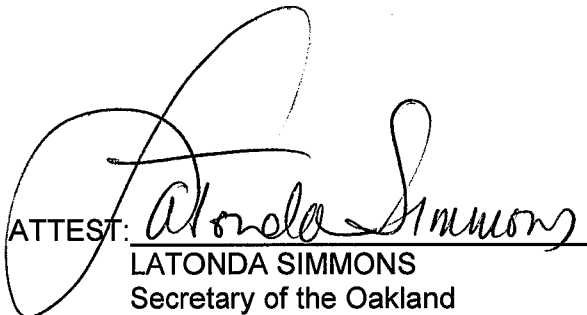
ATTEST: 
LATONDA SIMMONS
Secretary of the Oakland
Redevelopment Successor Agency

EXHIBIT B

**1100 Broadway Project
Project History**

April, 2000 - the Redevelopment Agency (Agency) sells the Property to Amin-Broadway LLC pursuant to a Disposition and Development Agreement ("Amin-Broadway DDA") for the construction of a 214-room Hilton Garden Inn hotel.

July 2002 - Agency placed Amin-Broadway in default for failure to complete the project according to schedule.

November 2004 - Agency, pursuant to Resolution No. 2004-30 C.M.S, entered into a basic OPA with East End Oakland I, LLC ("East End") as a condition of East End's acquisition of the Property from Amin-Broadway LLC. The basic OPA provided minimal Agency approval of the scope or pace of development of the Property. The OPA includes a provision for payment of \$400,000 of liquidated damages to the Agency if East End failed to commence construction on a project by November 8, 2007.

October 2006 - East End agreed to release all of the \$400,000 in liquidated damages to the Agency in exchange for the Agency agreeing to consider extending Project development deadlines in an amended OPA and selling the UCOP Parking to East End to support the development plans.

December 2006 - the Agency, pursuant to Resolution No. 2006-0088 C.M.S., authorized an amendment expanding the terms of the basic OPA with East End for development of the Property. The expanded OPA 1) imposed more specific development parameters for the Property; 2) provided for the Agency's review and approval of Project plans and specifications; 3) required regular maintenance of the Property prior to development; 4) provided for \$440,000 in liquidated damages to the Agency, secured by an irrevocable letter of credit, if East End or its approved assignee failed to complete development of the Project; 5) created an enhanced definition of commencement of Project construction that insured a substantial investment in the Project; 6) authorized the Agency Administrator to negotiate and then extend for up to one year the construction commencement and other Project development deadlines to be negotiated in the amended OPA; and 7) authorized East End's assignment of its rights under the amended OPA to SKS upon sale of the Property to SKS.

February 2007 - East End sold the Property to SKS.

September 2007 - Agency negotiated and executed Amended and Restated OPA with SKS and authorized execution of a PSA for the sale of the adjacent UCOP Garage that is part of the parking structure in the University of California, Office of the President (UCOP) office building to SKS for an initial price of \$4,350,000, which would be increased on an annual basis by at least 5 percent until the date of closing escrow.

June 2010 – Agency and SKS, pursuant to Resolution No. 2010-0054 C.M.S., amend the PSA, to extend the closing date and the dates for certain "option" extensions payments to be made by SKS. At the time, SKS forfeited \$100,000 that had previously been deposited in escrow. At the

EXHIBIT B (cont'd)

same time, the OPA was amended to extend development deadlines included in the schedule of performance by one year.

January 2012 - the Agency transferred the UCOP garage to the City of Oakland, subject to the PSA with SKS. As a result, the PSA becomes an obligation of the City of Oakland, while the OPA becomes an obligation of ORSA.

December 2012 - ORSA approved a second amendment to the OPA to extend the Construction Commencement and Garage Closing Dates by two years to June 25, 2017 and April 27, 2019, respectively (ORSA Reso. 2012-015). The terms include an option for a second two-year extension, allowing start of construction to begin by June 25, 2019 if necessary.

March 2013 – OB approved the second amendment to the OPA on March 8, 2013 (OB Reso. 2013-5)

May 2013 – In a letter to the OB dated May 3, 2013, DOF denied final approval of the second amendment to the OPA citing Health and Safety Code 34163 (a), which addresses former redevelopment agreements, and prohibits agencies from modifying existing agreements, including extending their terms.